

## FINANCE SECRETARIAT

## Capital and Revenue Accounts of Irrigation Works.

READ—

1. Government Order No. Fl. (B) 10175-78/Bud. 92-56-1, dated the 12th October 1956.
2. Government Order No. FD 25 ACP 58, dated 2nd July 1958.
3. Correspondence ending with letter No. WM.I/GC.V/XII/2/39, dated the 18th July 1959, from the Accountant-General, Mysore, Bangalore.

ORDER No. FD I BIR. 59, DATED BANGALORE,

THE 16TH SEPTEMBER 1959.

In Government Order No. Fl.(B) 10175-78/Bud. 92-56-1, dated 12th October 1956 (see Annexure B to this Government Order) orders were issued laying down rules for the preparation of Capital and Revenue Accounts of Irrigation Works and also the procedure for adjustment of land revenue due to irrigation works and interest on capital outlay on works for which Capital and Revenue Accounts are kept. The question of extending these provisions to all the integrated areas has been under the consideration of the Government. In the meantime the Accountant-General, Mysore, Bangalore brought to the notice of Government that progress had not been secured in the compilation of the above accounts as the particulars required were not promptly furnished by the Departmental Officers uniformly; that there were some difficulties in implementing the instructions contained in the Government Order dated 12th October 1956, which required to be remedied and that some of the points needed further elucidation. With a view to expediting the disposal of the case, the points raised by the Accountant-General were discussed in two meetings of officers of the State Government and the Senior Deputy Accountant-General (representative of the Accountant-General) and certain conclusions arrived at:

2. After considering the proceedings of the meetings of officers, Government direct that the Capital and Revenue Accounts should be compiled in respect of all Irrigation Works costing Rs. 5 lakhs and more and treated as 'Commercial'. Government are also pleased to amplify their orders contained in the Government Order dated 12th October 1956 to the extent indicated below:—

(a) These accounts should be compiled from the year 1954-55 in case of works of ex-Mysore areas completed on or after 1951-52 and also in the case of certain important projects mentioned in the Government Order, dated 12th October 1956 which were completed and started yielding revenue before the year 1951-52.

(b) These accounts should continue to be maintained in the case of projects costing Rs. 5 lakhs and more transferred from the integrated areas if such accounts were already maintained prior to 1st November 1956; and in respect of other projects from the year when they started yielding revenue after 1st November 1956.

(c) These accounts should, in future, be compiled as soon as any section of the project is completed and begins to yield revenue. An up-to-date list of works for which Capital and Revenue Accounts have to be maintained will, however, be issued separately.

(d) The capital outlay incurred on the projects in progress should be detailed by minor heads in relaxation of Rule 4 of Appendix 5 of the Mysore Public Works Account Code. This relaxation has been approved as a special case since the details of the capital outlay prior to 1950-51 are not readily available in certain cases.

(e) The Chief Engineers should arrange to furnish copies of the completion reports immediately to the Accountant-General, if not already done:

- (i) In respect of completed works on which there has been no outlay since 1951-52 so that the capital expenditure may be detailed in the Capital and Revenue Accounts for and to end of the year 1954-55; and
- (ii) in respect of works, even though stated to be completed, on which capital expenditure is still being incurred under the provisions contained in paragraph 689 of the Mysore Public Works Account Code so that the Capital outlay may be separated in respect of closed sanctions and current sanctions for projects.

(f) Audit and Accounts charges should be calculated at the rates prescribed in the Mysore Public Works Account Code and adjusted *pro forma* in the Capital and Revenue Accounts from the year 1954-55 even though the outlay shown in these accounts may exceed the provision in the estimates of the works and projects concerned.

(g) Leave and pensionary charges should be calculated at such percentage rates as may be fixed by the Government. Orders as regards rates and mode of adjustment of these charges will issue separately.

(h) Direct receipts representing miscellaneous revenue and water rates where such receipts have been distinctly assessed and are also collected accordingly and the penal water rate, if any, should be credited to the head "XVII. Irrigation, Navigation, Embankment and Drainage Works—(Commercial)" by opening a suitable detailed head for each project or work. To enable the Deputy Commissioners to recover the amount of water rates distinctly and separately fixed, the Executive Engineers should, from the records of their offices, frame a statement of demands for water rates to be collected by the Revenue Department in "Form A"\*, and forward the same quarterly to the Deputy Commissioners and the Accountant-General by 15th of October, January, April, July of each year for the quarters immediately preceding these months. On receipt of these statements the Deputy Commissioner should issue instructions to his subordinate officers to effect necessary recoveries from the parties concerned. On receipt of the particulars of recoveries, the Deputy Commissioner should prepare a statement for each project in "Form (B)"\* showing therein the amount of water rates and other miscellaneous revenue realised in the previous quarter and forward the same to the Accountant-General and the Executive Engineer concerned on 20th November, February, May and August of each year.

(i) Indirect receipts constituting portion of land revenue due to Irrigation Works, betterment levy and irrigation cess, which are collected by the Revenue Department should be initially credited to the head "VII. Land Revenue" and subsequently transferred to the Irrigation Revenue Head. This adjustment should be effected by the Accountant-General every year on the basis of details to be furnished by the Deputy Commissioners in the statement "Form C"\*\* on the 10th August of each year. The share of land revenue due to irrigation works should be calculated in accordance with the procedure laid down in paragraphs 4(1) and (2) of the Government Order of 12th October 1956.

(j) In the case of Irrigation Works, for which Capital and Revenue Accounts are not maintained, the water rates collected, if they have been levied distinctly and separately and the penal water rates, if any, collected, are to be credited directly to "XVIII. Irrigation, Navigation, Embankment and Drainage Works (Non-Commercial)"; if the water rate, etc., are merged with land revenue, a prescribed percentage of the land revenue collected, as detailed in the previous subparagraph is to be transferred at the end of the year to "XVIII. I.N.E.D. Works (Non-Commercial)." This procedure will apply to works completed after 1st April 1950.

(k) The expenditure incurred on the maintenance of the projects for which Capital and Revenue Accounts are kept should be debited to the head "XVII. I.N.E.D. Works—(Commercial)—Deduct working expenses". No adjustment need be made towards collection charges of revenue due to irrigation works. But in cases where any establishment charges are incurred directly, these should be debited to the working expenses of the project or projects concerned.

\* *Vide* Annexure A.

(l) Interest charges on the capital outlay of the various projects should be calculated at the rate of 4 per cent per annum from the year 1954-55 in case of projects of ex-Mysore areas and from the year 1956-57 (i.e., from 1st November 1956) in the case of projects of the integrated areas. The Accountant-General should adjust the interest charges in the regular accounts at the end of each year adopting the above rate. Interest charges in the case of projects of ex-Mysore areas for the period 1954-55 to 1957-58 should be adjusted *pro forma* only in the Capital and Revenue Accounts.

3. Government have also decided that the progressive figures of gross receipts, gross working expenses (both direct and indirect) and accumulated arrears of interest to end of the year 1953-54 be omitted in the opening balance for 1954-55 accounts, thus virtually treating the net revenue accrued as set off against the accumulated interest. In pursuance of this decision the 'Capital and Revenue Accounts of Irrigation Works of ex-Mysore areas' should be compiled taking the opening balance as 'nil'.

4. The Accountant-General, Mysore, Bangalore, has repeatedly brought to the notice of Government that prompt action has not been taken by the officers of the Revenue Department to furnish the particulars for effecting the adjustment of portion of land revenue due to irrigation works, even though Government issued orders laying down the procedure of arriving at the figures as far back as 12th October 1956. The Deputy Commissioners and those of the ex-Mysore areas particularly should see that the forwardal of the necessary particulars to the Accountant-General in the case of projects in their jurisdiction receive their constant and unrestricted attention. The Deputy Commissioners of ex-Mysore areas should make every effort to work out the particulars for and from the year 1954-55 and furnish the same to the Accountant-General to enable him to adjust these receipts *pro forma* in the Capital and Revenue Accounts for the years 1954-55 to 1958-59.

By Order and in the name of the Governor of Mysore,

N. S. BHARATH,

Deputy Secretary to Government,  
Finance Department (Budget).

## ANNEXURE A.

**FORM "A"**

Statement of demand for Water Rate to be collected by the Revenue Department.

(To be sent by the Executive Engineer to the "Deputy Commissioner and the Accountant General, on 15th of October, January, April and July every year in respect of the quarters preceding these months).

| Project             |                   | Season         |            | Quarter                    |  |    | Remarks |
|---------------------|-------------------|----------------|------------|----------------------------|--|----|---------|
| Name of the Village | Name of the Taluk | Area irrigated | Water Rate | Remissions and Free Grants | Net to be realised by the Revenue Department |    |         |
| 1                   | 2                 | 3              | 4          | 5                          | 6  | 7  |         |
|                     |                   | 10             | 10         | 10                         | 10   | 10 |         |